LEGISLATIVE PRIORITIES – June 21, 2019

POTENTIAL NEW AUTO TARIFFS THREATEN U.S. JOBS AND WILL HURT CONSUMERS

Automobile dealers support President Trump's goals of modernizing U.S. trade agreements and moving toward freer and fairer trade, but trade actions, such as steep new tariffs of up to 25% on imported autos and auto parts, would hurt the auto industry and consumers. On February 17, the Commerce Department submitted the results of a Section 232 national security investigation concerning autos and auto parts to the President. The report concluded that, "automobile and certain automobile parts imports threaten to impair" national security, giving the President the authority to impose new tariffs. On May 17, the President announced he would be delaying any decision related to auto tariffs for up to 180-days, as negotiations with international partners continue. These potential new auto tariffs would impact all dealers, since no vehicle in the U.S. is 100% domestically made and the average vehicle assembled in the U.S. has an international parts content of 40%. According to a recent study by the Center for Automotive Research, Section 232 auto and auto parts tariffs would increase vehicle prices by $2,750 on average per vehicle, cause a decline of up to 1.3 million vehicle sales and result in a loss of 367,000 American jobs. **Congress must ensure that any new trade initiatives do not unduly increase vehicle prices, stifle demand for new vehicles, or jeopardize American jobs.**

OPPOSE OVERBROAD RECALL BILLS

Last Congress, Sen. Blumenthal (D-Conn.) and Rep. Schakowsky (D-Ill.) introduced bills (S. 1634/H.R. 3449) that would have crippled the used-car market by halting the dealer sale or wholesale of *any* used car under open recall, even though most vehicle recalls do not require the drastic step of grounding. These bills would create a "trade-in tax" that would instantly devalue a car buyer's trade-in by grounding recalled vehicles for minor matters, such as a peeling sticker. Similar legislation is likely to be reintroduced in the near future. **Congress should support initiatives to increase recall completion rates and oppose proposals that would create a consumer "trade-in tax."**

MODERNIZE THE TRUCK FLEET – SUPPORT REPEAL OF THE FEDERAL EXCISE TAX ON HEAVY-DUTY TRUCKS (H.R. 2381/S. 1839)

During consideration of an infrastructure bill, Congress should revisit the 12 percent federal excise tax (FET) imposed on most new heavy-duty trucks. On top of the nearly $40,000 in recent federal emissions and fuel-economy mandates, this tax routinely adds as much as $22,000 or more to the price of a new heavy-duty truck. An industry coalition, Modernize the Truck Fleet (MTF), is leading the effort to repeal the 102-year-old FET and identify viable funding alternatives. Reps. LaMalfa (R-Calif.) and Peterson (D-Minn.) introduced H.R. 2381 on April 29. The bill currently has 18 bipartisan cosponsors and was referred to the House Ways and Means Committee. Sen. Gardner (R-Colo.) introduced the Senate companion, S. 1839, on June 13. The bill was referred to the Senate Finance Committee. **Members are urged to cosponsor H.R. 2381/S. 1839 to spur new truck sales, promote the deployment of cleaner, safer trucks, and modernize the truck fleet.**